



January 15, 2014

Item No. 11

AUTHORIZATION TO ENTER INTO CONTRACTS WITH CVR ASSOCIATES, INC. AND NAN MCKAY & ASSOCIATES FOR THE ADMINISTRATION OF THE HOUSING CHOICE VOUCHER, PROJECT-BASED VOUCHER AND MODERATE REHABILITATION PROGRAMS

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners authorize the Chief Executive Officer ("CEO") or his designee to enter into contracts with CVR Associates, Inc. ("CVR") and Nan McKay & Associates ("NMA") both for a base term of two (2) years with two (2) one (1) year options in amounts not to exceed \$37,212,715 and \$16,732,793, respectively, for the base term (which includes \$4,000,000 to cover the associated cost for administration of additional vouchers that CHA may administer) for the administration of the Housing Choice Voucher ("HCV"), Project-based Voucher ("PBV"), and Moderate Rehabilitation ("Mod Rehab") Programs (collectively, the "HCV Programs"). The aggregate not-to-exceed amount of both contracts will be \$53,945,508

The Chief Housing Officer, the Office of the General Counsel and the Department of Procurement and Contracts have completed all necessary due diligence to support the submission of this initiative and recommend the approval of this item accordingly.

CORPORATE GOAL

The proposed contract approval for CVR Associates Inc. and Nan McKay & Associates supports Plan Forward by ensuring that CHA's Housing Portfolio is Safe, Decent and Sustainable.

FUNDING

Housing Choice Voucher/Mod Rehab, FY2014 & FY2015,
Funding Code: 8000302803-4190-30 & 8000302803-4190-30

CONTRACT SUMMARY

Contract Type: Professional Services

Base Contract Period: 2 years

Extension Option Periods: 2 one-year options

Vendor: CVR Associates, Inc.

5400 Laurel Springs Parkway, Suite 201
Suwanee, GA 30024

CVR Base Contract Amount: \$37,212,715

Vendor: Nan McKay & Associates
1855 Gillespie Way
El Cajon, CA 92020

Nan McKay Base Contract Amount: \$16,732,793

Total Aggregate Contract Amount: \$53,945,508

M/W/DBE Participation

CVR Associates, Inc.

100% MBE

Nan McKay & Associates

100% MBE

Section 3 Hiring

CVR Associates, Inc.

Section 3 Hires – 21

100% Section 3 Business Concern

Nan McKay & Associates

Section 3 Hires – 3

100% Section 3 Business Concern

GENERAL BACKGROUND /EXPLANATION

In preparation of the new solicitation, on March 18, 2013, CHA issued a Public Notice that an RFP would be issued in the upcoming months for HCV program administration. On August 15, 2013, CHA issued and released RFP No. 13-01196 for the Administration of HCV Programs. This RFP separated the operation and administration of the HCV Program into components, with respondents having the option to propose on any one, up to all 5 of the components as follows:

- Option A: HCV Regional Office Administration
- Option B: PBV and Mod Rehab Administration
- Option C: HCV Wait List and Admissions Administration
- Option D: Owner Administration, Customer Service Call Center, Marketing & Events Management
- Option E: HCV Inspections, including PBV and Mod Rehab

RFP No. 13-01196 was advertised in the Chicago Sun-Times, Chicago Defender, and Extra. In addition, 52 Firms received the notice and 48 vendors either downloaded the RFP from BuySpeed or picked up at CHA Central Office. There were eight (8) firms that attended the Bidder's Conference on September 3, 2013. The following firms responded and submitted proposals to the RFP as primary contractors:

1 CVR Associates Inc.; 2 - Nan McKay & Associates; 3 - Thomas & Herbert Consulting

An Evaluation Team, which included representatives from Asset Management and the HCV Department, evaluated and scored the proposals. All three firms were invited to make an oral presentation to the Evaluation Team and Best and Final Offers were requested. After the Scoring of the oral presentations, a second competitive range was set. Two firms remained in the competitive range, CVR and NMA. The remaining two firms were invited for further negotiations and 2nd Best and Final Offers were requested. The evaluation scores clearly demonstrated that

CVR and NMA would provide the best overall combination of industry expertise, experienced management personnel, program approach and cost.

The CHA recommends award of HCV Programs' five (5) administrative component options as follow:

CVR Associates, Inc.:

Option A*: (i) Central Regional Office and (ii) South Regional Offices

Option D: Owner Administration, Customer Service Call Center, Marketing & Events Management

Option E: HCV Inspections, including PBV and Mod Rehab

NMA & Associates:

Option A*: (iii) West Regional Office

Option B: PBV and Mod Rehab Administration

Option C: HCV Waitlist & Admissions, including PBV & Mod Rehab

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Chief Housing Officer concurs with the recommendation for CHA to enter into contracts with CVR Associates, Inc. and Nan McKay & Associates.

The CEO/President recommends the approval for CHA to enter into contracts with CVR Associates, Inc. ("CVR") and Nan McKay & Associates ("NMA") both for a base term of two (2) years with two (2) one (1) year options in amounts not to exceed \$37,212,715 and \$16,732,793, respectively, for the base term (which includes \$4,000,000 to cover the associated cost for administration of additional vouchers that CHA may administer) for the administration of the Housing Choice Voucher ("HCV"), Project-based Voucher ("PBV"), and Moderate Rehabilitation ("Mod Rehab") Programs (collectively, the "HCV Programs").

*The solicitation provided that no one vendor could be awarded more than 2 Regional Offices

RESOLUTION NO. 2014-CHA-11

WHEREAS, the Board of Commissioners has reviewed the Board Letter January 15, 2014 entitled "AUTHORIZATION TO ENTER INTO CONTRACTS WITH CVR ASSOCIATES, INC. AND NAN MCKAY & ASSOCIATES FOR THE ADMINISTRATION OF THE HOUSING CHOICE VOUCHER, PROJECT-BASED VOUCHER AND MODERATE REHABILITATION PROGRAMS";

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY

THAT the Board of Commissioners authorizes the Chief Executive Officer or his designees to enter into contracts with CVR Associates, Inc. ("CVR") and Nan McKay & Associates both for a base term of two (2) years with two (2) one (1) year options in amounts not to exceed \$37,212,715 and \$16,732,793, respectively, for the base term (which includes \$4,000,000 to cover the associated cost for administration of additional vouchers that CHA may administer) for the administration of the Housing Choice Voucher ("HCV"), Project-based Voucher ("PBV"), and Moderate Rehabilitation ("Mod Rehab") Programs (collectively, the "HCV Programs").

This award is subject to the Contractors' compliance with CHA's MBE/WBE/DBE, Section 3 and insurance requirements.



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